

## Message Text

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INFO AMEMBASSY LA PAZ

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TAGS: PINT, PFOR, PE

SUBJ: VELASCO SPEECH TO NATION SPURNS APRA AND COMMUNIST

PARTY; REAFFIRMS DEDICATION TO PEACE WITH NEIGHBORS.

SUMMARY: PRESIDENT JUAN VELASCO ALVARADO PERSONALLY DELIVERED JULY 28 INDEPENDENCE DAY SPEECH. IT WAS HIS FIRST PUBLIC SPEECH SINCE FEBRUARY ILLNESS. SPEECH DEFINED REVOLUTION AS DISTINCT FROM COMMUNISM AND CAPITALISM IN EVERY RESPECT.

BOTH REJECTED AND BOTH ASSOCIATED WITH IMPERIALISM.

WITHIN PERU, THE REVOLUTION WOULD DEAL WITH NEITHER THE APRA NOR ANY OF THE COMMUNIST PARTIES. ON OTHER HAND IT WOULD NOT PERSECUTE ANY OF THESE GROUPS AS OPPONENTS DESIRED. INSTEAD, REVOLUTION WOULD DEVELOP OWN POLITICAL ORGANIZATION TO COMPETE WITH TRADITIONAL GROUPS. IN ECONOMIC FIELD SPEECH WAS BULLISH.

"FULL DEVELOPMENT" OF REVOLUTION CONTRASTED WITH CRISES OF PRE-1968 PERIOD. CURRENT DIFFICULTIES ARE DUE TO IMPORTED INFLATION AND WOULD BE OVERCOME IN 1976. INTERNATIONALLY, VELASCO REAFFIRMED PERU'S COMMITMENT TO PEACE AND PRINCIPLES ESPoused AT AYACUCHO IN 1974. HE REFERRED TO BOLIVIA'S NEED FOR ACCESS TO SEA, VELASCO DENOUNCED "ANTI-PERU" CAMPAIGN WHICH FALSELY PORTRAYS PERU AS BELLICOSE. HE CALLED ON

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FOREIGN EMBASSIES TO HELP SENT RECORD STRAIGHT. END SUMMARY

1. POLITICAL POSTURE--VELASCO BEGAN SPEECH WITH WORD ON PRESS TRANSFER, NOTING THAT EXPERIENCE OVER PAST YEAR WAS POSITIVE IN MOST RESPECTS ALTHOUGH SOME PAPERS HAD PERSISTED WITH SENSATIONALISM AND MISUSE OF POWER, EVEN THOUGH PRESS WAS BEING TRANSFERRED TO ORGANIZED SECTORS, VELASCO MADE CLEAR THAT GOP WOULD NOT PERMIT PRESS TO FALL UNDER CONTROL OF POLITICAL GROUPS ALIEN TO THE REVOLUTION.

2. A MAJOR POLITICAL PROBLEM, VELASCO STRESSED, WAS CONFUSION AND DISTORTION SPREAD BY THOSE WHO DO NOT COMPREHEND THE REVOLUTION. THEY MUST UNDERSTAND THAT PERUVIAN REVOLUTION HAS NOTHING IN COMMON WITH CAPITALISM OR COMMUNISM; AN ALLIANCE WITH EITHER IS IMPOSSIBLE. VELASCO DECLARED THAT NEITHER MARXISM-LENINISM NOR CAPITALISM PROVIDES SOCIAL JUSTICE; HE CLAIMED THAT IMPERIALISM OCCURS UNDER BOTH SYSTEMS AND IS NOT "PROPERTY OF CAPITALISM" ALONE.

3. TURNING TO INTERNAL SCENE, VELASCO STATED THAT THE REVOLUTION WOULD DEAL NEITHER WITH APRA NOR WITH ANY OF THE COMMUNIST PARTIES. THESE FROUPS DESIRE PERSECUTION OF OTHER AND TOLERANCE FOR SELF. "WE WILL NOT ACCEPT POLARIZATION INHERENT IN PRO OR ANTI-APRISMO OR PRO OR ANTI-COMMUNISM." VELASCO SAID THAT THE EXAGGERATION OF APRA'S POWER AND COMITANT CALL FOR ANTI-APRA POLICY ONLY SERVED TO MASK COMMUNIST INFILTRATION. IN SAME WAY COMMUNIST INFLUENCE WAS OVER-EMPHASIZED BY SOME IN ORDER TO FORCE AN ANTI-COMMUNIST POLICY AND BENEFIT THE FADED APRA LEADERSHIP. "THE REAL POSITION OF THE REVOLUTION," SAID VELASCO, "IS TO REPUDIATE APRA AND ALL THE COMMUNIST PARTIES."

4. VELASCO LOOKED TO THE POLITICAL ORGANIZATION OF THE REVOLUTION (OPRP) TO ORIENT THE PEOPLE IN COMPETITION WITH THE TRADITIONAL POLITICAL PARTIES. THE OPRP WOULD BE FORMED FROM LOCAL UNITS OF THE ORGANIZED SECTORS AND IS EXAMPLE OF GOP FAITH IN PEOPLE'S ABILITY TO CREATE AUTONOMOUS PROCESS, SAID VELASCO.

5. STATE OF ECONOMY---IN CONTRAST TO ECONOMY IN 1968 WHICH WALLDED IN CRISIS FOLLOWING 1967 DEVALUATION, ECONOMY NOW IS LIMITED OFFICIAL USE

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FULLY DEVELOPING AND PAST CRISES ARE SUPERCEDED. THIS THE REVOLUTION ACHIEVED IN SPITE OF ECONOMIC RETALIATION FOR IPC EXPROPRIATION AND EFFORTS OF OLIGARCHY TO HALT INVESTMENT.

6. IN RECENT YEARS THE REVOLUTION ADOPTED POLICY OF MASSIVE SUBSIDIES TO CUSHION POOREST FROM EFFECTS OF IMPORTED INFLATION. THIS HAS BEEN IMPOSSIBLE TO MAINTAIN, BECAUSE THE ECONOMY WAS ENDANGERED. VELASCO PROMISED THAT SITUATION WOULD

EASE IN 1976 WITH EXPANDED EXPORTS OF MINERALS, OIL, PHOSPHATES, FISH, ETC. VELASCO EMPHASIZED FUTURE PROSPECTS WITH CONSTRUCTION OF BAYOVAR INDUSTRIAL COMPLEX, PAITA FISHING PORT, OIL PIPELINE, ETC. ALSO MARCONA HAD BEEN EX-PROPRIATED, RELEASING ITS PRODUCTION FOR THE NATION. VELASCO SAID A NEW STEEL MILL WOULD BE CONSTRUCTED TO REFINE MARCONA PRODUCT, THUS STRENGTHENING PERU'S NATIONAL SECURITY.

7. VELASCO SINGLED OUT SOCIAL PROPERTY SECTOR AS REVOLUTIONARY PRIORITY. AGRARIAN COOPERATIVES AND OTHER PEASANT COMMUNITIES ARE TO BE INTEGRATED INTO OVERALL SOCIAL PROPERTY SCHEME. GOAL OF REVOLUTION, SAID VELASCO, IS FOR SOCIAL PROPERTY ENTERPRISES, OF WHICH THERE ARE NOW 29 EMPLOYING 40,000 WORKERS, TO GROW REAPIDLY AND FORM BASIS OF TRULY PRATICIPATORY LOCAL GOVERNMENT.

8. INTERNATIONAL RELATIONS---VELASCO AFFIRMED A POLICY OF INDEPENDENCE WITH DIPLOMATIC AND COMMERCIAL RELATIONS WITH ALL. BASIC POLICY IS DEDICATION TO PEACE IN WORLD AND REGION. VELASCO NOTED 1974 PLEDGE OF AYACUCHO THAT FOREIGN MINISTERS MUST ACT WHENEVER SITUATIONS CAN AFFECT RELATIONS BETWEEN COUNTRIES, AND NOTED THAT BOLIVIA HAD "JUST" NEED TO RESOLVE PROBLEM OF ACCESS TO SEA. PERU UNDERSTANDS BOLIVIA'S POSITION, STATED VELASCO.

9. VELASCO DENOUNCED IMPERIALIST AGENCIES AND CERTAIN PERUVIANS WHO ACCUSE PERU OF PREPARING FOR WAR. "WE WILL NEVER INITIATE WAR AGAINST ANYONE." VELASCO CALLED UPON PROVACATEURS IN PRESS TO CEASE THEIR CAMPAIGN AND HE IMPORED FOREIGN EMBASSIES TO REPORT THAT PERU IS NOT PREPARING FOR BATTLE. VELASCO ALSO CALLED FOR HALT TO STORIES ABOUT SOVIET BASES IN PERU OR ABOUT NONEXISTENT RUSSIAN, CUBAN, YUGOSLAV OR CHINESE ADVISERS. PERU'S POLICY IS PEACE TOWARD NEIGHBORS; ONLY LIMITED OFFICIAL USE

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WAR IS WAR AGAINST UNDERDEVELOPMENT AND MISERY.

10. VELASCO CONCLUDED ADDRESS WITH FORCEFULL PLEA FOR UNITY OF ALL PERUVIANS. HE EARLIER HAD CALLED UPON ARMED FORCES TO MAINTAIN VIGOR AND UNITY AND NOTED THAT "ALL ATTEMPTS TO DIVIDE US HAVE FAILED."

11. COMMENT: VELASCO'S PERFORMANCE WAS IMPRESSIVE. HE REMAINED STANDING WHILE DELIVERING 1 1/2 HOUR SPEECH AND ALTHOUGH HIS DICTION WAS LESS DISTINCT THAN IN THE PAST, HIS VOICE SEEMED TO GAIN STRENGTH AS SPEECH PROGRESSED. ALTHOUGH RUMOURS ON VELASCO'S HEALTH LIKELY TO PERSIST, HE DEMONSTRATED ONCE AGAIN THAT HE IS STILL PRESIDENT AND HAS NOT BEEN RELEGATED TO FIGUREHEAD STATUS.

12. BOTH APRA AND THE COMMUNIST PARTY NO DOUBT DISAPPOINTED BY SPECIFIC REPUDIATION IN SPEECH. APRA HAD HOPED THAT SPEECH WOULD BE SIGNIFICANT BY VIRTUE OF FAILURE TO MENTION APRA AND BY CALL FOR PARTICIPATION OF ALL. THIS HOPE WAS NOT REALIZED, ALTHOUGH VELASCO DID DENY ANY ANTI-APRA POLICY. REVOLUTION WILL APPARENTLY CONTINUE ITS EFFORT TO CARVE OUT POLITICAL SPACE SOMEWHERE BETWEEN APRA AND COMMUNISTS, REJECTING ALLIANCE WITH BOTH. THE THEME THAT THE PERUVIAN REVOLUTION IS NEITHER CAPITALIST NOR COMMUNIST IS, OF COURSE, A RECURRING ONE IN VELASCO'S SPEECHES. USUALLY, HOWEVER, HE HAS STRESSED THE FORMER AND GIVEN THE LATTER BUT PASSING REFERENCE. THIS TIME THE SITUATION WAS REVERSED, AS HE CRITICIZED MEMBERS OF TRADITIONAL PARTIES WHO SOUGHT TO PREVENT PERUVIANS FROM UNDERSTANDING THAT THE REVOLUTION REPRESENTED A NEW PHILOSOPHY "DISTINCT FROM THOSE DEFENDED BY THE TRADITIONAL POLITICAL PARTIES, IN PARTICULAR THE VARIOUS COMMUNIST GROUPS AND APRA". THE CLAQUE WHICH REGULARLY INTERRUPTS ALL VELASCO'S SPEECHES AT FREQUENT INTERVALS DID NOT APPLAUD DURING THIS PORTION OF HIS REMARKS.

13. IN SPITE OF REPUDIATION OF TRADITIONAL POLITICAL PARTIES, REVOLUTION DOES NOT SEEM NEAR TO FORGING OWN MOVEMENT. THE POLITICAL ORGANIZATION (OPRP) WAS TO BE ANNOUNCED IN SPEECH, BUT WAS ADDRESSED IN ONLY VAGUE TERMS. EMBOFF TOLD THAT SERIOUS SNAGS HAVE DEVELOPED AND ORGANIZATION NOT READY FOR LAUNCHING.

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14. MARCONA EXPROPRIATION MENTIONED IN NON-POLEMIC FASHION. SOCIAL PROPERTY STILL PURPORTED TOP ECONOMIC/SOCIAL PRIORITY FOR REVOLUTION.

15. IN INTERNATIONAL AFFAIRS, VELASCO'S TREATMENT OF BOLIVIA'S PUSH FOR ACCESS TO SEA MAY BE AN OPENING LEADING TO FUTURE PERUVIAN INITIATIVE. SYMPATHETIC REFERENCE TO BOLIVIA'S "JUST" ASPIRATIONS AT LEAST USEFUL IN PREPARATION OF PERUVIANS FOR MOVEMENT ON THIS ISSUE. CALL ON EMBASSIES TO SET RECORD STRAIGHT ON WAR PREPARATIONS FITS IN WITH GOP BELIEF THAT RECENT ARTICLES LIKE LEDERER PIECE AND THOSE APPEARING IN DIARIO DE LAS AMERICAS ARE ORCHESTRATED EFFORT WHICH CAN BE TURNED OFF.

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